

Conference Engrossed

State of Arizona  
House of Representatives  
Forty-sixth Legislature  
First Regular Session  
2003

CHAPTER 258

**HOUSE BILL 2294**

AN ACT

AMENDING SECTIONS 28-450, 28-1098, 28-2051, 28-2091, 28-2134, 28-2154, 28-2356 AND 28-2401, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 7, ARTICLE 15, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-2515; AMENDING SECTION 28-4073, ARIZONA REVISED STATUTES; AMENDING LAWS 2002, CHAPTER 146, SECTION 1; RELATING TO VEHICLES; PROVIDING FOR CONDITIONAL ENACTMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 28-450, Arizona Revised Statutes, is amended to  
3 read:

4 28-450. Release of information prohibited; classification;  
5 definition

6 A. Notwithstanding section 28-447, the department shall not:

7 1. Divulge information from a vehicle title or registration record  
8 unless the person who requests the information provides to the department all  
9 of the following:

10 (a) The name of the owner.

11 (b) The vehicle identification number of the vehicle.

12 (c) The vehicle license plate number assigned to the vehicle.

13 2. Release a copy of a record or divulge information concerning a  
14 person's driving record unless the person requesting the driving record  
15 provides to the department all of the following:

16 (a) The name of the licensee or the name of the person whose record  
17 is requested.

18 (b) The driver license number of the licensee, a statement that the  
19 person whose record is requested has not applied for a license or a statement  
20 that the license has been suspended or revoked.

21 (c) The date of birth of the licensee or the expiration date of the  
22 driver license of the licensee.

23 B. Subsection A of this section does not apply to:

24 ~~1. A state, or its departments, agencies or political subdivisions.~~

25 ~~2. A court.~~

26 ~~3. A law enforcement officer, including a law enforcement officer in~~  
27 ~~a foreign country.~~

28 ~~4. 1. A licensed private investigator.~~

29 ~~5. 2. A financial institution or enterprise under the jurisdiction~~  
30 ~~of the state banking department or a federal monetary authority.~~

31 ~~6. The federal government or its agencies.~~

32 3. A FEDERAL, STATE OR LOCAL GOVERNMENTAL AGENCY, INCLUDING ANY COURT,  
33 LAW ENFORCEMENT AGENCY OR POLITICAL SUBDIVISION, THAT IS CARRYING OUT ITS  
34 FUNCTIONS OR ANY PRIVATE PERSON OR ENTITY THAT IS ACTING ON BEHALF OF THE  
35 GOVERNMENTAL AGENCY AND THAT IS CARRYING OUT THE PERSON'S OR ENTITY'S  
36 FUNCTIONS.

37 ~~7. 4. An attorney who is admitted to practice in this state and who~~  
38 ~~alleges that the information is relevant to a pending or potential court~~  
39 ~~proceeding.~~

40 ~~8. 5. A motor vehicle dealer who is licensed and bonded by the~~  
41 ~~department or a state organization of licensed and bonded motor vehicle~~  
42 ~~dealers.~~

43 ~~9. 6. The release of any of the following information to a person who~~  
44 ~~is involved in an accident or to the owner of a vehicle involved in an~~

1 accident if the person who requests the information submits proof to the  
2 department of involvement in the accident:

3 (a) The driving record of a person who operates a motor vehicle  
4 involved in the accident.

5 (b) The vehicle title or registration record of a vehicle involved in  
6 the accident.

7 ~~10.~~ 7. The release of the driving record or title and registration  
8 record if that record is for the requester's vehicle or is the requester's  
9 own driving record, except that the director may require any information from  
10 the requester that is deemed necessary to ensure that the requester is  
11 entitled to receive the record.

12 ~~11.~~ 8. An insurer that writes automobile liability or motor vehicle  
13 liability policies and that is under the jurisdiction of the department of  
14 insurance, except that an insurer or its authorized agent requesting  
15 information pursuant to subsection A of this section shall provide two of the  
16 three requirements under subsection A, paragraph 1 or 2 of this section  
17 before the department divulges or releases the information.

18 ~~12.~~ 9. The release of a title and registration record if all of the  
19 following conditions exist:

20 (a) The requester verifies to the satisfaction of the director that  
21 the vehicle on which the requester is requesting the record is in the  
22 requester's possession.

23 (b) The record is requested in order for the requester to notify the  
24 registered owner of the requester's intent to apply to the department for a  
25 bonded title.

26 (c) The requester provides a verification of a vehicle inspection that  
27 was performed by an authorized department employee or agent.

28 ~~13.~~ 10. An operator of a self-service storage facility located in this  
29 state who alleges all of the following:

30 (a) That the vehicle on which the operator is requesting the record  
31 is in the operator's possession.

32 (b) That the record is requested to allow the operator to notify the  
33 registered owner and any lienholders of record of the operator's intent to  
34 foreclose its lien and to sell the vehicle.

35 (c) That the operator obtained a verification of a vehicle inspection  
36 that was performed by an authorized department employee or agent.

37 C. An authorized agent shall promptly deliver information received  
38 from the department pursuant to subsection A of this section and subsection  
39 B, paragraph ~~11~~ 8 of this section to the insurer that originally requested  
40 the information. An authorized agent shall not copy, retain or transfer by  
41 any means any of the information for the authorized agent's own use or for  
42 use by persons other than the insurer that originally requested the  
43 information.

44 D. The department shall not release to an insurer, broker, managing  
45 general agent, authorized agent or insurance producer any information in a

1 person's driving record pertaining to a traffic violation that occurred forty  
2 months or more before the date of the request for the release of the  
3 information.

4 E. An authorized agent who commits any of the following acts with  
5 regard to information received pursuant to subsection A of this section and  
6 subsection B, paragraph ~~11~~ 8 of this section is guilty of a class 1  
7 misdemeanor:

8 1. Uses a false representation to obtain information from a department  
9 record.

10 2. Sells or otherwise distributes the information obtained from the  
11 department to a person or organization for purposes that are not disclosed  
12 in the request.

13 3. Violates subsection C of this section.

14 F. For the purposes of this section, "authorized agent" means a third  
15 party retained by an insurer for the purpose of requesting department  
16 information pursuant to subsection A of this section and subsection B,  
17 paragraph ~~11~~ 8 of this section but does not include an insurance producer as  
18 defined in section 20-281 or a managing general agent as defined in section  
19 20-311.

20 Sec. 2. Section 28-1098, Arizona Revised Statutes, is amended to read:  
21 28-1098. Vehicle loads; restrictions

22 A. A person shall not drive or move a vehicle on a highway unless the  
23 vehicle is constructed or loaded in a manner to prevent any of its load from  
24 dropping, sifting, leaking or otherwise escaping from the vehicle, except  
25 that either:

26 1. Sand may be dropped for the purpose of securing traction.

27 2. Water or another substance may be sprinkled on a roadway in  
28 cleaning or maintaining the roadway.

29 B. A person shall not operate a vehicle on a highway with a load  
30 unless the load and any covering on the load are securely fastened in a  
31 manner to prevent the covering or load from becoming loose, detached or in  
32 any manner a hazard to other users of the highway.

33 C. IF A PERSON IS FOUND IN VIOLATION OF THIS SECTION AND THE  
34 VIOLATION:

35 1. DOES NOT CAUSE ANY DAMAGE OR INJURY AND IS THE PERSON'S:

36 (a) FIRST VIOLATION IN A SIXTY MONTH PERIOD, THE PERSON IS SUBJECT TO  
37 A CIVIL PENALTY OF UP TO TWO HUNDRED FIFTY DOLLARS.

38 (b) SECOND OR SUBSEQUENT VIOLATION IN A SIXTY MONTH PERIOD, THE PERSON  
39 IS SUBJECT TO A CIVIL PENALTY OF UP TO THREE HUNDRED FIFTY DOLLARS.

40 2. RESULTS IN AN ACCIDENT CAUSING SERIOUS PHYSICAL INJURY AS DEFINED  
41 IN SECTION 13-105 TO ANOTHER PERSON, THE PERSON IS SUBJECT TO A CIVIL PENALTY  
42 OF UP TO FIVE HUNDRED DOLLARS.

43 3. RESULTS IN AN ACCIDENT CAUSING THE DEATH OF ANOTHER PERSON, THE  
44 PERSON IS SUBJECT TO A CIVIL PENALTY OF UP TO ONE THOUSAND DOLLARS.

1       Sec. 3. Section 28-2051, Arizona Revised Statutes, is amended to read:  
2       28-2051. Application for certificate of title; vision screening  
3       test

4       A. A person shall apply to the department on a form prescribed or  
5       authorized by the department for a certificate of title to a motor vehicle,  
6       trailer or semitrailer. The person shall make the application within fifteen  
7       days of the purchase or transfer of the vehicle, trailer or semitrailer. ~~The~~  
8       transferee ALL TRANSFEREES shall sign the application, EXCEPT THAT ONE  
9       TRANSFEREE MAY SIGN THE APPLICATION IF BOTH OF THE FOLLOWING APPLY:

10       1. THE APPLICATION IS FOR THE PURPOSES OF CONVERTING AN OUT-OF-STATE  
11       CERTIFICATE OF TITLE TO A CERTIFICATE OF TITLE ISSUED PURSUANT TO THIS  
12       ARTICLE.

13       2. THE OWNERSHIP OR LEGAL STATUS OF THE MOTOR VEHICLE, TRAILER OR  
14       SEMITRAILER DOES NOT CHANGE.

15       B. The application shall contain:

16       1. The transferee's full name and either the driver license number of  
17       the transferee or a number assigned by the department.

18       2. The transferee's complete residence address.

19       3. A brief description of the vehicle to be titled.

20       4. The name of the manufacturer of the vehicle.

21       5. The serial number of the vehicle.

22       6. The last license plate number if applicable and if known and the  
23       state in which the license plate number was issued.

24       7. If the application is for a certificate of title to a new vehicle,  
25       the date of sale by the manufacturer or dealer to the person first operating  
26       the vehicle.

27       8. If the application is in the name of a lessor:

28       (a) The lessor shown on the application as the owner or transferee.

29       (b) At the option of the lessor, the lessee shown on the application  
30       as the registrant.

31       (c) The address of either the lessor or lessee.

32       (d) The signature of the lessor.

33       9. If the application is for a certificate of title to a specially  
34       constructed, reconstructed or foreign vehicle, a statement of that fact. For  
35       the purposes of this paragraph, "specially constructed vehicle" means a  
36       vehicle not originally constructed under a distinctive name, make, model or  
37       type by a generally recognized manufacturer of vehicles.

38       10. If an applicant rents or intends to rent the vehicle without a  
39       driver, a statement of that fact.

40       11. Other information required by the department.

41       C. Unless subsection B, paragraph 8 of this section applies, on  
42       request of an applicant, the department shall allow the applicant to provide  
43       on the title of a motor vehicle, trailer or semitrailer a post office box  
44       address that is regularly used by the applicant.

1 D. A person shall submit the following information with an application  
2 for a certificate of title:

3 1. To a vehicle previously registered:

4 (a) The odometer mileage disclosure statement prescribed by section  
5 28-2058.

6 (b) If the applicant is applying for title pursuant to section  
7 28-2060, the applicant's statement of the odometer reading as of the date of  
8 application.

9 2. To a new vehicle:

10 (a) A certificate or electronic title from the manufacturer showing  
11 the date of sale to the dealer or person first receiving the vehicle from the  
12 manufacturer. Before the department issues a certificate of title to a new  
13 vehicle, a certificate or electronic title from the manufacturer shall be  
14 surrendered to the department.

15 (b) The name of the dealer or person.

16 (c) A description sufficient to identify the vehicle.

17 (d) A statement certifying that the vehicle was new when sold.

18 (e) If sold through a dealer, a statement by the dealer certifying  
19 that the vehicle was new when sold to the applicant.

20 E. The department may request an applicant who appears in person for  
21 a certificate of title of a motor vehicle, trailer or semitrailer to complete  
22 satisfactorily the vision screening test prescribed by the department.

23 Sec. 4. Section 28-2091, Arizona Revised Statutes, is amended to read:

24 28-2091. Salvage certificate of title; nonrepairable vehicle  
25 certificate of title; recovered vehicles; violation;  
26 classification; definitions

27 A. If a vehicle THAT IS subject to titling or registration pursuant  
28 to this chapter becomes a salvage vehicle or nonrepairable vehicle and is  
29 acquired by an insurance company as a result of a total loss insurance  
30 settlement, the insurance company or its authorized agent shall submit an  
31 application to the department within thirty days after the ~~loss or settlement~~  
32 ~~of the loss~~ TITLE IS PROPERLY ASSIGNED BY THE OWNER TO THE INSURANCE COMPANY,  
33 WITH ALL LIENS RELEASED, on a form prescribed by the department for a salvage  
34 certificate of title or nonrepairable vehicle certificate of title and  
35 include the following:

36 1. A properly endorsed certificate of title.

37 2. A lien satisfaction, if applicable.

38 3. The registration card.

39 4. The license plates, if the license plates are not retained pursuant  
40 to section 28-2356 or an affidavit of license plate destruction is not  
41 submitted.

42 5. The appropriate fees.

43 B. If the registration card or license plate is lost or destroyed, the  
44 applicant shall state in a form prescribed by the department, under penalty  
45 of perjury, the circumstances of the loss or destruction.

1 C. Except for vehicles registered pursuant to section 28-2482, 28-2483  
2 or 28-2484, if the owner retains possession of a salvage vehicle or  
3 nonrepairable vehicle, the owner shall comply with this section before  
4 receiving a total loss settlement from the insurance company or otherwise  
5 disposing of the vehicle.

6 D. Any other owner of a vehicle that is a salvage vehicle or  
7 nonrepairable vehicle shall apply for a salvage certificate of title or  
8 nonrepairable vehicle certificate of title pursuant to this section.

9 E. On receipt of a proper application, the department shall issue a  
10 salvage certificate of title or nonrepairable vehicle certificate of title  
11 for the vehicle.

12 F. If the department issues a nonrepairable vehicle certificate of  
13 title for a vehicle, the registration of the vehicle is cancelled. The front  
14 of a nonrepairable vehicle certificate of title shall be branded with the  
15 word "nonrepairable". The ownership of a vehicle for which a nonrepairable  
16 vehicle certificate of title has been issued shall not be reassigned more  
17 than two times on that certificate of title. If a nonrepairable vehicle  
18 certificate of title is issued for a vehicle, the department shall not issue  
19 any further certificate of title for that vehicle.

20 G. An owner of a vehicle that is not a salvage vehicle who sells the  
21 vehicle as scrap or for purposes of dismantling or destroying shall assign  
22 the certificate of title to the purchaser, and the purchaser shall comply  
23 with section 28-2094.

24 H. On sale of the vehicle, an owner of a salvage vehicle for which a  
25 salvage certificate of title has been obtained or an owner of a nonrepairable  
26 vehicle for which a nonrepairable vehicle certificate of title has been  
27 obtained shall assign and deliver the salvage certificate of title or  
28 nonrepairable vehicle certificate of title to the purchaser and shall notify  
29 the department of the name and address of the purchaser.

30 I. Except as provided in subsection L of this section, the department  
31 shall issue a certificate of title to a vehicle that has been issued a  
32 salvage certificate of title as a result of a total loss settlement by reason  
33 of theft if the vehicle is recovered and was not wrecked or stripped of  
34 essential parts and the insurance company or its authorized agent submits an  
35 affidavit to the department in a form prescribed by the department stating  
36 either of the following:

37 1. The vehicle is a recovered theft and both of the following:

38 (a) The vehicle was not wrecked or stripped of essential parts.

39 (b) To the insurance company's or its authorized agent's actual  
40 knowledge, no air bag or component part necessary to the proper function of  
41 the air bag system deployed in the vehicle or was removed from the vehicle.

42 2. The vehicle is a recovered theft and, to the insurance company's  
43 or its authorized agent's actual knowledge, an air bag or an air bag module  
44 deployed in the vehicle or was removed from the vehicle. The insurance

1 company or its authorized agent shall list the location in the vehicle of  
2 each deployment or removal of an air bag or an air bag module.

3 J. On receipt of an affidavit submitted pursuant to subsection I,  
4 paragraph 2 of this section, the department shall mark its records to  
5 indicate the deployment or removal of the air bag or air bag module from the  
6 vehicle and the location of each deployment or removal.

7 K. The insurance company or its authorized agent shall give the  
8 purchaser of a vehicle that is a recovered theft, as described in subsection  
9 I of this section, a copy of the affidavit submitted pursuant to subsection  
10 I of this section.

11 L. If the vehicle is a recovered theft and components of the vehicle's  
12 air bag system, other than the air bag or the air bag module described in  
13 subsection I, paragraph 2 of this section, or other parts of the vehicle were  
14 removed compromising the functional integrity of the air bag system or the  
15 structural integrity of the vehicle, the insurance company or its authorized  
16 agent shall submit an affidavit to the department in a form prescribed by the  
17 department stating that the vehicle is a recovered theft and that components  
18 of the vehicle's air bag system, other than the air bag or the air bag module  
19 described in subsection I, paragraph 2 of this section, or other parts of the  
20 vehicle were removed compromising the functional integrity of the air bag  
21 system or the structural integrity of the vehicle. The department shall not  
22 issue a certificate of title to the vehicle but may issue a restored salvage  
23 certificate of title pursuant to section 28-2095 if all of the following  
24 apply:

25 1. The vehicle is repairable.  
26 2. The department successfully completes a level three inspection as  
27 prescribed in section 28-2011.

28 3. The vehicle meets other requirements the director prescribes.

29 M. Except as provided in subsection N of this section, any person who  
30 sells a vehicle that is issued a certificate of title pursuant to subsection  
31 I of this section and who has actual knowledge that an air bag, an air bag  
32 module or components of the vehicle's air bag system compromising the  
33 functional integrity of the air bag system deployed or were removed from the  
34 vehicle shall not fail to disclose the deployment or removal to the buyer  
35 before completion of the sale with the intention of concealing the deployment  
36 or removal. A person who violates this subsection is guilty of a class 1  
37 misdemeanor.

38 N. Subsection M of this section does not apply to either of the  
39 following:

40 1. An insurance company or its authorized agent who issues an  
41 affidavit pursuant to subsection I of this section unless the insurance  
42 company or its authorized agent intentionally fails to disclose the  
43 deployment or removal of an air bag, an air bag module or components of the  
44 vehicle's air bag system that compromise the functional integrity of the air  
45 bag system.



1           2. A person who owns a vehicle that is issued a certificate of title  
2 pursuant to subsection I of this section if the person repairs or replaces  
3 the air bag or air bag module in the vehicle.

4           O. Any person who sells a vehicle for which a salvage certificate of  
5 title has been issued and who knows a salvage certificate of title has been  
6 issued for the vehicle shall disclose to the buyer before completion of the  
7 sale that the vehicle is a salvage vehicle.

8           P. If a vehicle that is titled as a salvage vehicle is to be scrapped,  
9 dismantled or destroyed, the owner or purchaser shall comply with section  
10 28-2094.

11           Q. The provisions of this chapter that refer to titles apply to  
12 salvage certificates of title and nonrepairable vehicle certificates of title  
13 issued pursuant to this section unless they conflict with this section.

14           R. If a component part of a vehicle on which the vehicle  
15 identification number is affixed is to be replaced and if the vehicle is  
16 being repaired by a person other than its owner, the person shall notify the  
17 owner in writing and in the manner prescribed by the department that the part  
18 has been replaced, and the owner shall comply with section 28-2165.

19           S. Except as otherwise provided, a person who violates this section  
20 is guilty of a class 2 misdemeanor.

21           T. For the purposes of this section:

22           1. "Essential parts" means integral and body parts, the removal,  
23 alteration or substitution of which will tend to conceal the identity or  
24 substantially alter the appearance of the vehicle.

25           2. "Nonrepairable vehicle" means a vehicle of a type that is otherwise  
26 subject to titling and registration pursuant to this chapter and that either:

27           (a) Has no resale value except as a source of parts or scrap metal and  
28 the owner or insurer designates the vehicle solely as a source of parts or  
29 scrap metal.

30           (b) Is a completely stripped vehicle that is recovered from theft and  
31 that is missing the engine or motor, the transmission, all of the bolt-on  
32 sheet metal body panels, all of the doors and hatches, substantially all of  
33 the interior components and substantially all of the grill and light  
34 assemblies or that the owner designates has little or no resale value except  
35 its worth as a source of scrap metal or as a source of a vehicle  
36 identification number that could be used illegally.

37           (c) Is a completely burned vehicle that has been burned to the extent  
38 that there are no usable or repairable body or interior components, tires and  
39 wheels, engine or motor or transmission and that the owner irreversibly  
40 designates as having little or no resale value except as a source of scrap  
41 metal or as a source of a vehicle identification number that could be used  
42 illegally.

43           3. "Nonrepairable vehicle certificate of title" means a vehicle  
44 ownership document issued to the owner of a nonrepairable vehicle.

1        4. "Salvage vehicle" means a vehicle, other than a nonrepairable  
2 vehicle, of a type that is subject to titling and registration pursuant to  
3 this chapter and that has been stolen, wrecked, destroyed, flood or water  
4 damaged or otherwise damaged to the extent that the owner, leasing company,  
5 financial institution or insurance company ~~that insured the vehicle~~ considers  
6 it uneconomical to repair the vehicle.

7        Sec. 5. Section 28-2134, Arizona Revised Statutes, is amended to read:  
8        28-2134. Satisfaction of lien or encumbrance; assignment of  
9                    obligation by lienholder; penalty

10        A. When a holder of a lien or encumbrance receives payment in full  
11 satisfying a lien or encumbrance recorded under this article, the holder of  
12 the lien or encumbrance shall release the lien or encumbrance and deliver the  
13 certificate of title to the next holder of a lien or encumbrance entitled to  
14 possession of the certificate of title or, if there is not another holder of  
15 a lien or encumbrance entitled to possession of the certificate of title, to  
16 the owner of the vehicle at the address shown on the certificate of title OR,  
17 IF THE HOLDER OF THE LIEN OR ENCUMBRANCE HAS BEEN PREVIOUSLY NOTIFIED OF SALE  
18 OR TRANSFER OF THE VEHICLE, TO THE PERSON WHO IS LEGALLY ENTITLED TO  
19 POSSESSION.

20        B. If a holder of a lien or encumbrance assigns the obligation and the  
21 holder lawfully has possession of the certificate of title, the holder shall  
22 deliver the certificate of title at the time of assignment to the holder's  
23 assignee. If a holder of a lien or encumbrance is not entitled to possession  
24 of the certificate of title when the holder assigns the obligation, the  
25 holder shall immediately deliver the certificate of title to the assignee  
26 when the holder becomes lawfully entitled to and obtains lawful possession  
27 of the certificate of title. The holder's assignee is entitled to hold the  
28 certificate of title until the obligation is satisfied. When the obligation  
29 is satisfied, the assignee shall deliver the certificate of title to the next  
30 holder of a lien or encumbrance entitled to possession of the certificate of  
31 title or, if there is not another holder of a lien or encumbrance entitled  
32 to possession of the certificate of title, to the owner of the vehicle as  
33 prescribed in subsection A of this section.

34        C. If a holder of a lien or encumbrance who possesses a certificate  
35 of title as provided in this article refuses or fails to surrender the  
36 certificate of title to the person who is legally entitled to possession of  
37 the certificate of title on that person's request and within fifteen business  
38 days after the holder receives payment in full satisfaction of the holder's  
39 lien or encumbrance, after an opportunity for an administrative hearing, the  
40 department may impose and collect a civil penalty from the holder of the lien  
41 or encumbrance to be deposited in the state highway fund established by  
42 section 28-6991 as follows:

43        1. Fifty dollars if the certificate of title is surrendered in  
44 accordance with this subsection within three additional business days.

2. The penalty provided for in paragraph 1 of this subsection plus fifty dollars for each additional day exceeding eighteen business days that the certificate of title is not surrendered in accordance with this subsection up to a maximum of five hundred dollars for each certificate of title.

D. The department may satisfy a lien or encumbrance on its records and on a certificate of title to a vehicle if the owner of the vehicle furnishes satisfactory proof of the payment in full of the underlying debt and an affidavit stating the following:

1. That the owner has made a diligent search to locate the holder of the lien or encumbrance.

2. With particularity the steps taken in the search.

3. That after the search the holder of the lien or encumbrance could not be found.

E. The department may satisfy a lien or encumbrance against a vehicle on its records by accepting a certificate of title to the vehicle issued by another jurisdiction if all of the following conditions exist:

1. The lien previously recorded in this state does not appear on the title presented from another jurisdiction.

2. The title was issued by the other jurisdiction at least one year before the time it was presented to this state.

3. The law of the other jurisdiction requires a lien or encumbrance to be recorded on that state's certificate of title.

Sec. 6. Section 28-2154, Arizona Revised Statutes, is amended to read:

28-2154. Special registrations

A. A nonresident who purchases an unregistered vehicle in this state for removal to the state of residence of the purchaser may obtain a special thirty day nonresident registration of the vehicle. The nonresident may obtain this special registration by applying to the department or to a motor vehicle dealer as defined in section 28-4301 and by paying the fees prescribed by section 28-2003. The application shall include an affidavit of the purchaser containing the following statements:

1. The purchaser is not a resident of this state as defined in section 28-2001.

2. The vehicle is purchased to be registered out of state.

3. The vehicle is not purchased for transfer to a resident of this state.

4. Other information that the director deems necessary.

B. At the time of application for a special thirty day nonresident registration, the purchaser shall submit for inspection proper evidence of ownership of the vehicle to be registered. The special registration is valid for not more than thirty days from the date of issuance and may be evidenced in the form the director deems necessary or advisable. A person who obtains a nonresident registration on a semitrailer that has been manufactured in this state may use the semitrailer for commercial purposes if the semitrailer

1 is being used to transport goods from this state, subject to the payment of  
2 any taxes prescribed by this title.

3 C. An enrolled member of an Indian tribe who resides on the Indian  
4 reservation established for that tribe and who purchases an unregistered  
5 vehicle in this state for removal to the Indian reservation may obtain a  
6 special thirty day registration permit for the vehicle. The member may  
7 obtain this special registration by applying to the department or to any  
8 motor vehicle dealer as defined by section 28-4301 and by payment by the  
9 motor vehicle dealer of the fees prescribed by section 28-2003.

10 D. A resident who does not have complete documentation for issuance  
11 of an Arizona title and registration on a noncommercial vehicle but who has  
12 established ownership of the vehicle to the satisfaction of the department  
13 may receive a special ninety day resident registration by applying and paying  
14 the fee prescribed by section 28-2003 to the department. The basis of  
15 assessment for the full annual registration fee and vehicle license tax  
16 relates back to the date of issuance of the first special ninety day resident  
17 registration.

18 E. A resident may receive a second consecutive special ninety day  
19 resident registration on application and payment of the fee prescribed by  
20 section 28-2003 if:

21 1. The person has applied for a bonded title and the title has not  
22 been issued during the first ninety day registration.

23 2. The person is awaiting settlement of an estate.

24 3. The person is awaiting lien clearance.

25 4. The person is awaiting a hearing decision as a result of a title  
26 complaint.

27 5. The person is awaiting the issuance of honorary consular official  
28 special license plates.

29 6. The director determines other circumstances justify the issuance.

30 F. AT THE DISCRETION OF THE DIRECTOR, a resident may not receive more  
31 than two consecutive special ninety day resident registrations for a vehicle  
32 in a twelve month period.

33 G. If there is a judgment against a resident of this state in another  
34 state that requires suspension of the resident's vehicle registration, in  
35 lieu of suspension of the resident's vehicle registration the department may  
36 issue a special temporary registration for the resident's vehicle that is  
37 valid for a period of not more than one hundred eighty days.

38 Sec. 7. Section 28-2356, Arizona Revised Statutes, is amended to read:  
39 28-2356. Transfer of license plates to another vehicle; credit

40 A. Except as otherwise provided in this chapter, the owner of a  
41 vehicle for which the department provided license plates pursuant to section  
42 28-2351 shall retain those license plates when the owner transfers the  
43 vehicle to another person.

1           B. The department may assign the license plates retained pursuant to  
2 subsection A of this section to another vehicle that belongs to the owner if  
3 all of the following apply:

4           1. The other vehicle is of the same vehicle type.

5           2. The owner makes proper application to the director or a third party  
6 authorized pursuant to chapter 13 of this title.

7           3. The owner pays a transfer fee of twelve dollars in addition to any  
8 other fees required by law.

9           4. If the vehicle license tax, gross weight fees, commercial  
10 registration fees, special plate fees and motor carrier fees are more than  
11 the similar fees and taxes required to register the vehicle to which the  
12 license plates were previously assigned, the owner pays any additional fees  
13 and taxes required after subtracting any credit allowed under subsection E  
14 of this section.

15           C. If the other vehicle is not of the same vehicle type as the vehicle  
16 for which the license plates were provided by the department pursuant to  
17 section 28-2351, the owner shall either surrender the license plates to the  
18 department or an authorized third party or submit an affidavit of license  
19 plate destruction as prescribed by the director. On surrender of the license  
20 plates or submission of an affidavit of license plate destruction, the  
21 department shall provide new license plates of the proper vehicle type to the  
22 owner and, ~~subject to subsection D of this section,~~ credit the owner with an  
23 amount equal to the unexpended portion of the fees and taxes originally paid  
24 by the owner for registration and license plates toward fees and taxes  
25 charged for the registration and license plates of the appropriate new  
26 vehicle type.

27           ~~D. If fees and taxes charged for the registration of another vehicle~~  
28 ~~to which license plates are assigned are less than the similar fees and taxes~~  
29 ~~for the registration of the vehicle to which the license plates were last~~  
30 ~~assigned or if fees and taxes charged for new license plates of a different~~  
31 ~~vehicle type are less than fees and taxes for the registration of the owner's~~  
32 ~~previous vehicle, the owner is not entitled to a refund except as provided~~  
33 ~~in subsection G of this section.~~

34           ~~E. D.~~ The owner of a registered vehicle who transfers license plates  
35 to another vehicle ~~or who surrenders license plates or submits an affidavit~~  
36 ~~of license plate destruction pursuant to subsection C of this section is~~  
37 entitled to a credit for the unexpired portion of the fees and taxes paid as  
38 required by law in accordance with the following conditions:

39           1. The fees and taxes are prorated on a monthly basis beginning on the  
40 first day of the registration month following the date of acquisition of the  
41 vehicle.

42           2. The credit shall be an amount computed as follows:

43           (a) If the vehicle is registered on an annual basis, one-twelfth for  
44 each full month of the registration period not yet expired.

1 (b) If the vehicle is registered on a biennial basis pursuant to  
2 section 28-2159, one-twenty-fourth for each full month of the registration  
3 period not yet expired.

4 (c) If the vehicle is permanently registered, one-twenty-fourth for  
5 each full month after acquisition of the vehicle to the twenty-fourth month  
6 after the date of initial permanent registration of the vehicle.

7 ~~f. If the amount of the credit computed pursuant to subsection E of~~  
8 ~~this section is more than the amount due for the registration period, the~~  
9 ~~department shall carry forward the credit to subsequent registration periods.~~

10 ~~G. The owner may apply to the department for a refund of the unexpired~~  
11 ~~portion of the fees and taxes paid if the owner of a registered vehicle~~  
12 ~~surrenders license plates or submits an affidavit of license plate~~  
13 ~~destruction pursuant to subsection C of this section, the owner does not~~  
14 ~~claim a credit pursuant to subsection E of this section and the refund is~~  
15 ~~more than three hundred fifty dollars. The department shall compute the~~  
16 ~~refund as prescribed in subsection E of this section.~~

17 E. IF THE OWNER OF A REGISTERED VEHICLE TRANSFERS THE VEHICLE TO  
18 ANOTHER PERSON AND EITHER SURRENDERS THE LICENSE PLATES TO THE DEPARTMENT OR  
19 AN AUTHORIZED THIRD PARTY OR SUBMITS AN AFFIDAVIT OF LICENSE PLATE  
20 DESTRUCTION PURSUANT TO SECTION 28-2058, ALL OF THE FOLLOWING APPLY:

21 1. THE DEPARTMENT SHALL CALCULATE, PURSUANT TO SUBSECTION D OF THIS  
22 SECTION, THE UNEXPIRED PORTION OF FEES AND TAXES AVAILABLE FOR CREDIT AT THE  
23 TIME THE LICENSE PLATES ARE SURRENDERED OR THE AFFIDAVIT OF LICENSE PLATE  
24 DESTRUCTION IS SUBMITTED.

25 2. THE DEPARTMENT SHALL MAINTAIN A RECORD OF THE AMOUNT CALCULATED  
26 PURSUANT TO PARAGRAPH 1 OF THIS SUBSECTION.

27 3. THE OWNER MAY APPLY THE AVAILABLE CREDIT FOR THE FEES AND TAXES TO  
28 ONE OTHER VEHICLE THE OWNER OWNS OR ACQUIRES BEFORE THE EXPIRATION OF THE  
29 REGISTRATION PERIOD FOR WHICH THE UNEXPIRED PORTION OF THE FEES AND TAXES  
30 WERE PAID.

31 4. IF THE AVAILABLE CREDIT EXCEEDS THE AMOUNT REQUIRED TO PAY THE FEES  
32 AND TAXES AS PRESCRIBED IN PARAGRAPH 3 OF THIS SUBSECTION, THE DEPARTMENT  
33 SHALL DELETE THE EXCESS CREDIT FROM THE RECORD.

34 5. IF THE OWNER DOES NOT APPLY THE AVAILABLE CREDIT CALCULATED  
35 PURSUANT TO PARAGRAPH 1 OF THIS SUBSECTION FOR FEES AND TAXES TO ANOTHER  
36 VEHICLE BEFORE THE EXPIRATION OF THE REGISTRATION PERIOD FOR WHICH THE  
37 UNEXPIRED PORTION OF THE FEES AND TAXES WERE PAID, THE CREDIT IS ZERO.

38 F. IF THE OWNER OF A REGISTERED VEHICLE TRANSFERS THE VEHICLE TO  
39 ANOTHER PERSON BUT DOES NOT TRANSFER THE LICENSE PLATES TO ANOTHER VEHICLE,  
40 SURRENDER THE LICENSE PLATES TO THE DEPARTMENT OR AN AUTHORIZED THIRD PARTY  
41 OR SUBMIT AN AFFIDAVIT OF LICENSE PLATE DESTRUCTION WITHIN THIRTY DAYS OF THE  
42 TRANSFER AS REQUIRED BY SECTION 28-2058, THE CREDIT FOR THE UNEXPIRED PORTION  
43 OF THE FEES AND TAXES SHALL DECREMENT PURSUANT TO SUBSECTION D OF THIS  
44 SECTION UNTIL THE OWNER EITHER SURRENDERS THE LICENSE PLATES TO THE

1 DEPARTMENT OR AN AUTHORIZED THIRD PARTY OR SUBMITS AN AFFIDAVIT OF LICENSE  
2 PLATE DESTRUCTION.

3 H. G. An owner who transfers license plates to another vehicle  
4 pursuant to this section is subject to the same penalties for the use of the  
5 license plates on another vehicle or for improper use of the license plates  
6 as the owner would have been subject to for use of the license plates on the  
7 vehicle to which the plates were previously assigned.

8 H. THE OWNER OF A VEHICLE REGISTERED IN THIS STATE IS NOT ENTITLED TO  
9 A CREDIT OR A REFUND PURSUANT TO THIS SECTION IF THE VEHICLE IS REGISTERED  
10 IN ANOTHER STATE UNLESS THE OWNER IS APPLYING THE CREDIT PURSUANT TO THIS  
11 SECTION TO ANOTHER VEHICLE THE OWNER OWNS OR ACQUIRES FOR REGISTRATION IN  
12 THIS STATE.

13 I. The director shall adopt rules necessary to administer this  
14 section.

15 Sec. 8. Section 28-2401, Arizona Revised Statutes, is amended to read:

16 28-2401. Definitions

17 In this article, unless the context otherwise requires:

18 1. "Immediate family member" means a spouse or a parent, child,  
19 brother or sister whether by adoption or blood.

20 2. "Special plates" means plates issued pursuant to this article OR  
21 PURSUANT TO SECTION 28-2515.

22 Sec. 9. Title 28, chapter 7, article 15, Arizona Revised Statutes, is  
23 amended by adding section 28-2515, to read:

24 28-2515. Taxis; license plates

25 A. SUBJECT TO LEGISLATIVE APPROPRIATION, THE DEPARTMENT SHALL ISSUE  
26 TAXI SPECIAL PLATES BEGINNING ON JULY 1, 2004, TO THE OWNER OF EVERY VEHICLE  
27 OPERATING AS A TAXI.

28 B. EVERY VEHICLE OPERATING AS A TAXI SHALL DISPLAY A TAXI SPECIAL  
29 PLATE ISSUED BY THE DEPARTMENT PURSUANT TO THIS SECTION.

30 C. THE COLOR AND DESIGN OF THE TAXI SPECIAL PLATES SHALL BE DETERMINED  
31 BY THE LICENSE PLATE COMMISSION PURSUANT TO SECTION 28-2351 AND SHALL  
32 INDICATE THAT THE VEHICLE IS A TAXI.

33 Sec. 10. Section 28-4073, Arizona Revised Statutes, is amended to  
34 read:

35 28-4073. Suspension length; reinstatement; designated fund

36 A. The license, registration and nonresident operating privilege shall  
37 remain suspended and the director shall not renew or issue a license or  
38 registration in the name of the person, including a person not previously  
39 licensed, until each judgment is satisfied in full or to the extent provided  
40 by this chapter or unless the judgment creditor failed to renew the judgment  
41 as provided in title 12, chapter 9, article 6 or the judgment is otherwise  
42 legally unenforceable and the person gives proof of financial responsibility  
43 subject to the exemptions stated in sections 28-4072 and 28-4075. IF THE  
44 JUDGMENT CREDITOR FAILS TO RENEW THE JUDGMENT, THE DIRECTOR SHALL CONSIDER  
45 THE JUDGMENT SATISFIED BEGINNING ON THE DATE OF ITS EXPIRATION.

B. On receipt of an affidavit executed by a judgment debtor stating that a diligent search to locate the judgment creditor has been made and reciting with particularity the steps taken and that the judgment creditor or the successor in interest could not be found for the purpose of receiving payment of the judgment and on payment of the amount of the judgment to the department in a fund designated for that purpose, the director may reinstate the license, registration and nonresident operating privilege of the judgment debtor. The director shall hold the monies in trust for the purpose of satisfying the judgment. Monies deposited in the fund revert to the state general fund five years from the date of the deposit if not claimed by the judgment creditor.

C. Notwithstanding section 28-4088, a person whose license, registration or nonresident operating privilege is reinstated shall maintain proof of financial responsibility for two years after the judgment is satisfied.

**Sec. 11. Laws 2002, chapter 146, section 1, is amended to read:**

**Section 1. Request for state implementation or maintenance plan exemption; report; definition**

A. The department of environmental quality shall contact the United States environmental protection agency and request a vehicle emissions testing exemption EXEMPTIONS for either motorcycles, collectible vehicles AND VEHICLES THAT ARE TWENTY-FIVE MODEL YEARS OLD OR OLDER or both AT LEAST ONE COMBINATION OF THESE CATEGORIES OF VEHICLES THAT INCLUDES A TWENTY-FIVE MODEL YEARS OLD OR OLDER CATEGORY from the state implementation or maintenance plan PLANS. The department shall make the exemption EXEMPTIONS request only if it determines that the continued emissions testing of either motorcycles, collectible vehicles AND VEHICLES THAT ARE TWENTY-FIVE MODEL YEARS OLD OR OLDER or both AT LEAST ONE COMBINATION OF THESE CATEGORIES OF VEHICLES THAT INCLUDES A TWENTY-FIVE MODEL YEARS OLD OR OLDER CATEGORY does not provide a significant air quality benefit and is not necessary to satisfy the requirements of the state implementation or maintenance plans. The department of environmental quality shall submit a written report of its findings and activities regarding this request THESE REQUESTS to the governor, the president of the senate, the speaker of the house of representatives, and the Maricopa association of governments AND THE PIMA ASSOCIATION OF GOVERNMENTS on or before December 31, 2004. THE MARICOPA ASSOCIATION OF GOVERNMENTS AND THE PIMA ASSOCIATION OF GOVERNMENTS SHALL COOPERATE WITH, PROVIDE TECHNICAL AND EXPERT ASSISTANCE AND SUPPLY DATA AND OTHER NECESSARY INFORMATION TO THE DEPARTMENT FOR THE VEHICLE EMISSIONS TESTING EXEMPTIONS CONSIDERED. THE DEPARTMENT MAY ALSO REQUEST TECHNICAL ASSISTANCE FROM THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY. THE REPORT SHALL INCLUDE RECOMMENDATIONS ON HOW THE STATE IMPLEMENTATION OR MAINTENANCE PLANS MUST BE MODIFIED BY CONSIDERING ALTERNATIVE CONTROL MEASURES IN ORDER TO IMPLEMENT THE VEHICLE EMISSIONS TESTING EXEMPTIONS



1 CONSIDERED, IF THE DEPARTMENT DETERMINES THAT THE EXEMPTIONS WOULD NOT  
2 SATISFY THE REQUIREMENTS OF THE STATE IMPLEMENTATION OR MAINTENANCE PLANS.

3 B. For THE purposes of this section, "collectible vehicle" means a  
4 vehicle that satisfies all of the following:

5 1. Bears A model year date of original manufacture that is fifteen  
6 years old or older.

7 2. Is of unique or rare design, of limited production and an object  
8 of curiosity.

9 3. Is maintained primarily for use in car club activities,  
10 exhibitions, parades or other functions of public interest or for a private  
11 collection and is used only infrequently for other purposes.

12 4. Has a collectible vehicle or classic automobile insurance coverage  
13 that restricts the collectible vehicle mileage and requires the owner to have  
14 another vehicle for personal use.

15 5. At the time a vehicle is registered as a collectible vehicle, the  
16 department OF TRANSPORTATION shall enter into the vehicle record the fact  
17 that the vehicle is covered by collectible vehicle or classic automobile  
18 insurance. If an insurer notifies the department OF TRANSPORTATION of the  
19 cancellation or nonrenewal of the insurance coverage, the department OF  
20 TRANSPORTATION shall cancel the registration of the vehicle and the vehicle's  
21 exemption from emissions inspection pursuant to section 49-542, Arizona  
22 Revised Statutes, unless evidence of coverage is presented to the department  
23 OF TRANSPORTATION within sixty days.

24 Sec. 12. Conditional enactment

25 A. Section 28-2356, Arizona Revised Statutes, as amended by this act  
26 is effective from and after June 30, 2004, only if the legislature  
27 appropriates \$122,000 to the department of transportation to cover  
28 implementation costs.

29 B. The department of transportation shall notify in writing the  
30 director of the Arizona legislative council if the condition is met or not  
31 met.

APPROVED BY THE GOVERNOR MAY 27, 2003.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 27, 2003.

Passed the House March 3, 2003

Passed the Senate May 1, 2003

by the following vote: 59 Ayes,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

0 Nays, 1 Not Voting

Jake Elake  
Speaker of the House

Ken Bennett  
President of the Senate

Norman L. Moore  
Chief Clerk of the House

Charmine Ballentine  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

           day of           , 20  ,

at            o'clock            M.

            
Secretary to the Governor

Approved this            day of

          , 20  ,

at            o'clock            M.

            
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this            day of           , 20  ,

at            o'clock            M.

            
Secretary of State

H.B. 2294

HOUSE FINAL PASSAGE  
as per Joint Conference

Passed the House May 21, 20 03,

by the following vote: 40 Ayes,

13 Nays, 7 Not Voting

Jake Flake  
Speaker of the House

Norman L. Moore  
Chief Clerk of the House

SENATE FINAL PASSAGE  
as per Joint Conference

Passed the Senate May 21, 20 03,

by the following vote: 27 Ayes,

0 Nays, 3 Not Voting

Rufus L. Bennett  
President of the Senate

Chambers Billington  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor

this 21 day of May, 20 03

at 4:00 o'clock P M.

Sandra Hamisey  
Secretary to the Governor

Approved this 27 day of

May, 20 03,

at 8<sup>30</sup> o'clock A. M.

Janet Napolitano  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 27th day of May, 20 03

at 2:30 o'clock P M.

Janet K. Brewer  
Secretary of State

H.B. 2294